GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2377
ANSWERED ON:15.03.2007
LIQUEFIED FUEL FROM COAL
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the main recommendations of the Investment Commission on converting coal to liquid fuel and gas for ensuring oil security;

(b) the availability of technology and investments required for the purpose;

(c) whether the Government proposed to initiate steps to set up specific mechanism to examine various aspects for converting coal into fuel and gas on commercial basis and encourage public-private participating in these projects to ensure fuel security and reduce oil imports in the long seen; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) The Investment Commission has not made any specific recommendation on converting coal to liquid fuel and gas for ensuring oil security.

(b) to (e):- Oil India Limited (OIL) is currently studying coal liquefaction processes for production of liquid fuel from the coal resources of the North East region.

OIL initially carried out pilot plant studies during 1999-2002 in a 25 kg/day capacity pilot plant set up in OIL`s R&D premises at Duliajan, Assam using M/s Axen NA, USA`s coal-oil co-processing technology where Vacuum Tower Bottom

(VTB), a refinery product, was used to make coal slurry. The results were very encouraging. However, OIL could not proceed towards commercialization using this technology as adequate quantity of VTB is not available in India.

OIL then successfully carried out coal conversion study with coal only Catalytic Two Stage Liquefaction (CTSL) Technology of M/s Axen NA, USA. Subsequently, site specific pre-feasibility study of CTSL process of M/s Axen NA was carried out by M/s Engineers India Ltd. (EIL) in the year 2006.

In order to select the best suitable technology for the North-East coal for liquefaction, OIL also carried out a pre-feasibility of conversion of North East coal by M/s Hydrocarbon Technology Inc. (HTI), USA`s Direct Coal Liquefaction (DCL) technology through bench scale tests at HTI`s Premises in USA.

As commercial Coal Liquefaction plan is highly capital intensive, in order to avoid the risk of scaling up of pilot plant results to commercial size, OIL has now undertaken actions to carry out a feasibility study to confirm liquid product yield and quality, predicted in the pre-feasibility studies.

To confirm the availability and assured supply of coal in Assam, Arunachal Pradesh and Meghalaya for a commercial plant, a joint task force between OIL and Coal India Ltd. has been formed. The joint task force has been studying the availability of North East Coal.

Oil and Natural Gas Corporation (ONGC) has undertaken a pilot project for coal gasification in the sub-surface and is exploring a project for surface coal gasification as well. These projects are with public and private participation. This forms the first step for converting coal to liquid fuel as well.